



HOOSIC VALLEY CENTRAL SCHOOL DISTRICT

2018-19 Budget Development
February 5, 2018

Bus Replacement Program Review

2018-19 Recommended Replacement

- 2- 72 Passenger Buses
- 2- 22 Passenger Buses

Total Cost \$324,010.06

Voter approval for the purchase of BUSES within the Budget

- Utilize the aid received on previous bus purchases
- Increase the appropriated fund balance to make a one time purchase will allow the district to fund the Bus Purchases within the budget as a line item (A5510.210)

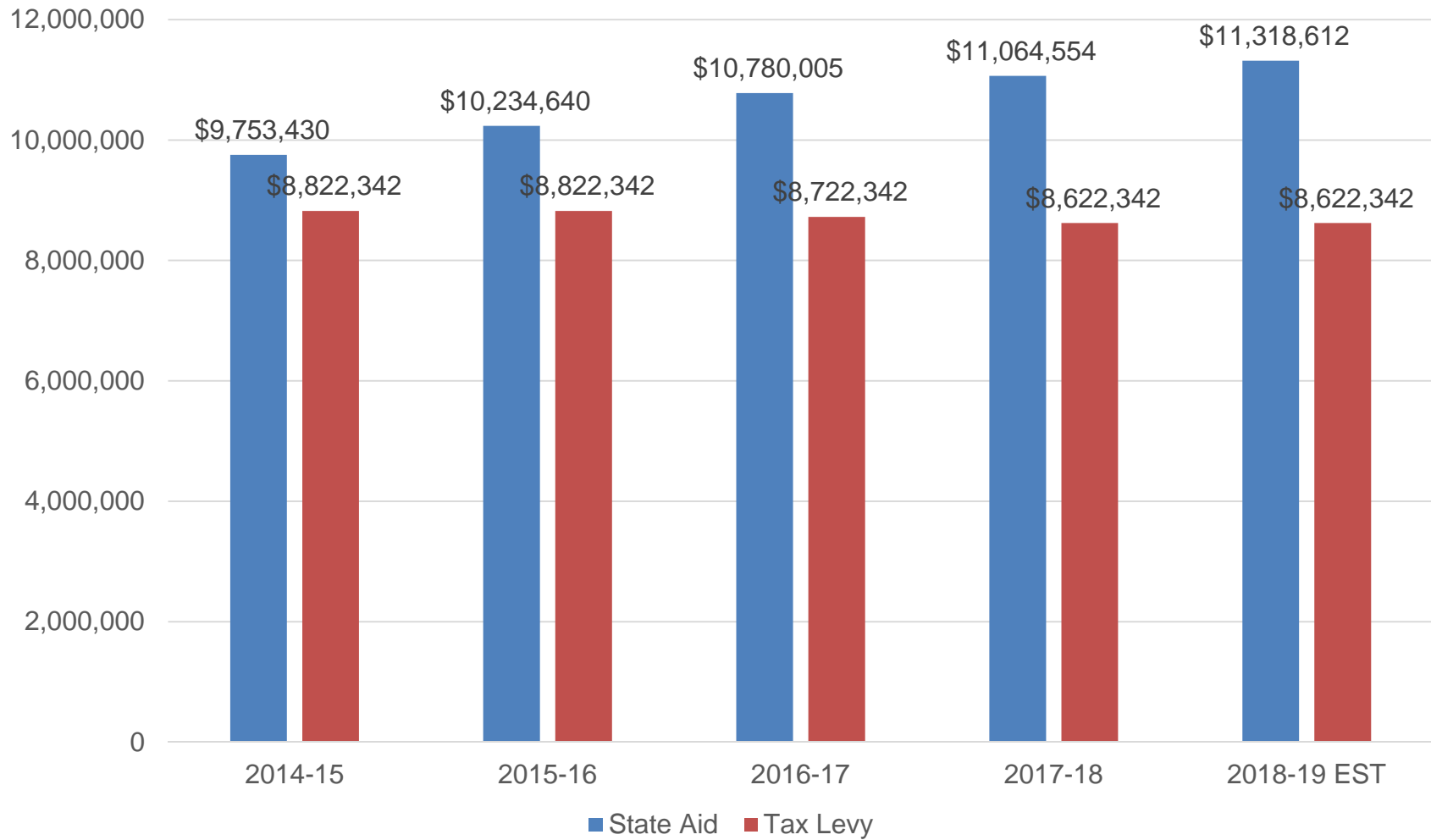
Governor's Proposal State Aid Estimates

- Hoosic Valley CSD's formula state aid under the Governor's proposal will increase overall by approximately **\$254,058 (2.30%)**
- The district's Foundation Aid will increase **\$123,823**, or **1.6%** from **\$7,404,963** to **\$ 7,528,786**.
- The district's expense driven aid estimates are based on 2017-18 school year estimates of expenditures and pupil data submitted with aid claims in the fall.
- The estimated formula state aid increases of \$254,058 equates to 1.2% of the district's current budget.

Budget Status & Revenue Status

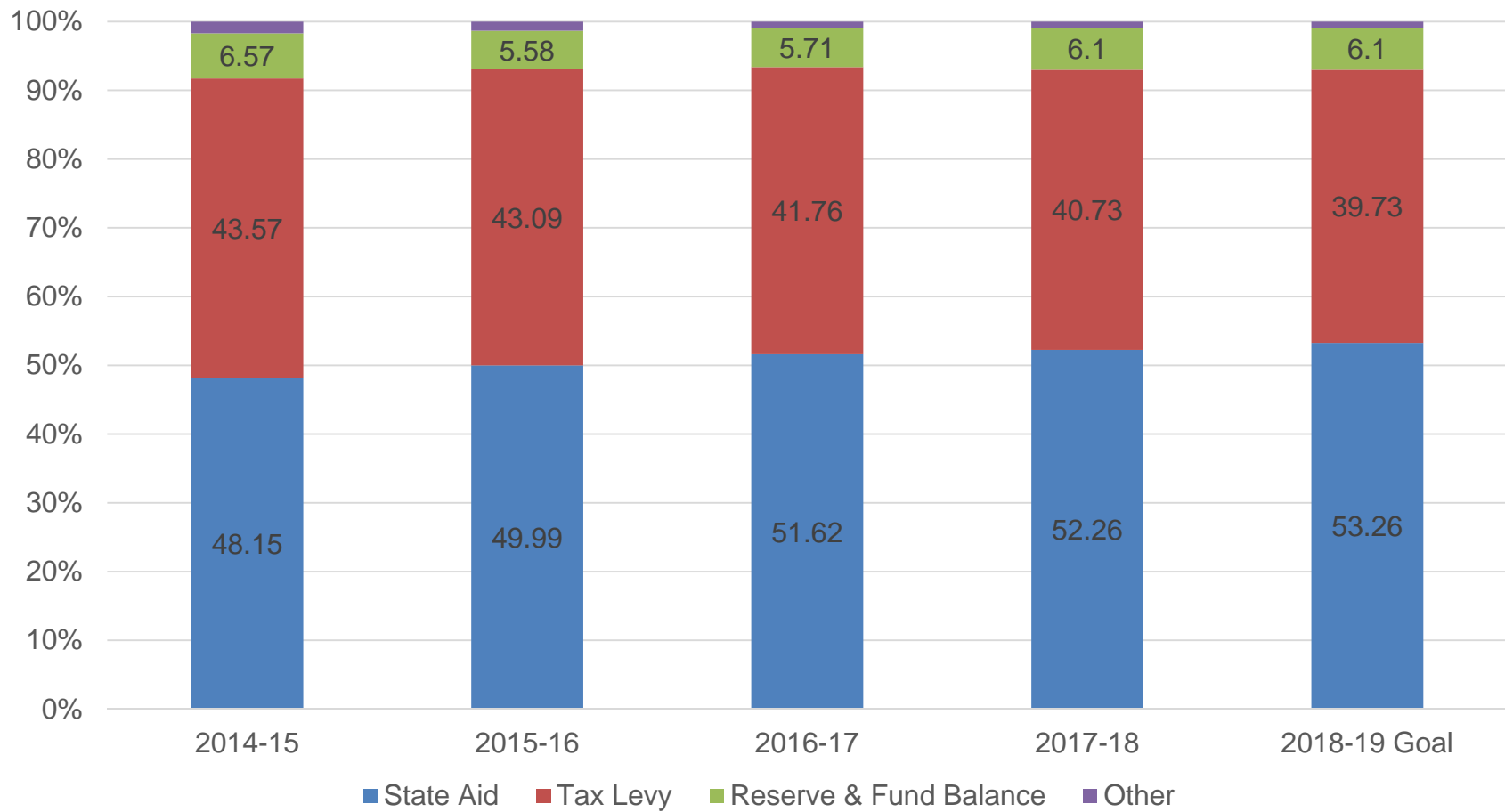
- Working closely with the district Treasurer to consistently review the Revenue & Appropriation Status Reports to begin to assess the year fund balance.
- At this point the district will realize a positive net position at the end of fiscal year 2017-18.
- The appropriation status reports are analyzed to ensure expense codes are appropriately budgeted for 2018-19.

State Aid Increases & Tax Levy



State Aid vs. Tax Levy Revenues

Revenue % of the Budget



Budget Assumptions

- All employee contractual increases and steps will be included in the budget with a 2% increase assessed for non-instructional units.
- ERS Contributions Rates will remain mostly stable with a slight decrease in 2018-19 from 15.3% to 14.9%
- TRS Contributions Rate in the next year is anticipated to be 10.63% of member payroll. The rate for 2017-18 was 9.8%.
- The district's move to PPO 815 Health Insurance Plan for current employees will allow the district to decrease Health Benefit expense before rate increases. The RCG Trust provided an initial estimated Health Insurance rate increase at 8%. Final rates will be issued in March.
- Expenses for teaching supplies, building supplies and repairs, energy, and district contractual obligations will be rolled over. The 2017-18 budget was created conservatively based on the actual 5 year expense history. The budget status reports will be analyzed to ensure expense codes are appropriately budgeted for 2018-19.

Budget Assumptions (continued)

- Heating Oil, gasoline, and diesel prices have continued to remain low, and we will continue to study and monitor the impact to the budget.
- Due to low fuel prices the IRS mileage rate reimbursement was set at \$.535 for 2017. The rate for 2018 is now set at \$.545.
- The Minimum Wage rate increased from \$9.70 to \$10.40 on December 31, 2017. On December 31, 2018 it increases to \$11.10.
- As per the Corrective Action Plan to the State Comptrollers Audit, the district will transfer \$200,000 from the Debt Service Reserve over the next six years for a total of ten years.

2018-19 Tax Levy Limit

New York State's Property Tax Cap – the tax cap limits the total levy set by school districts.

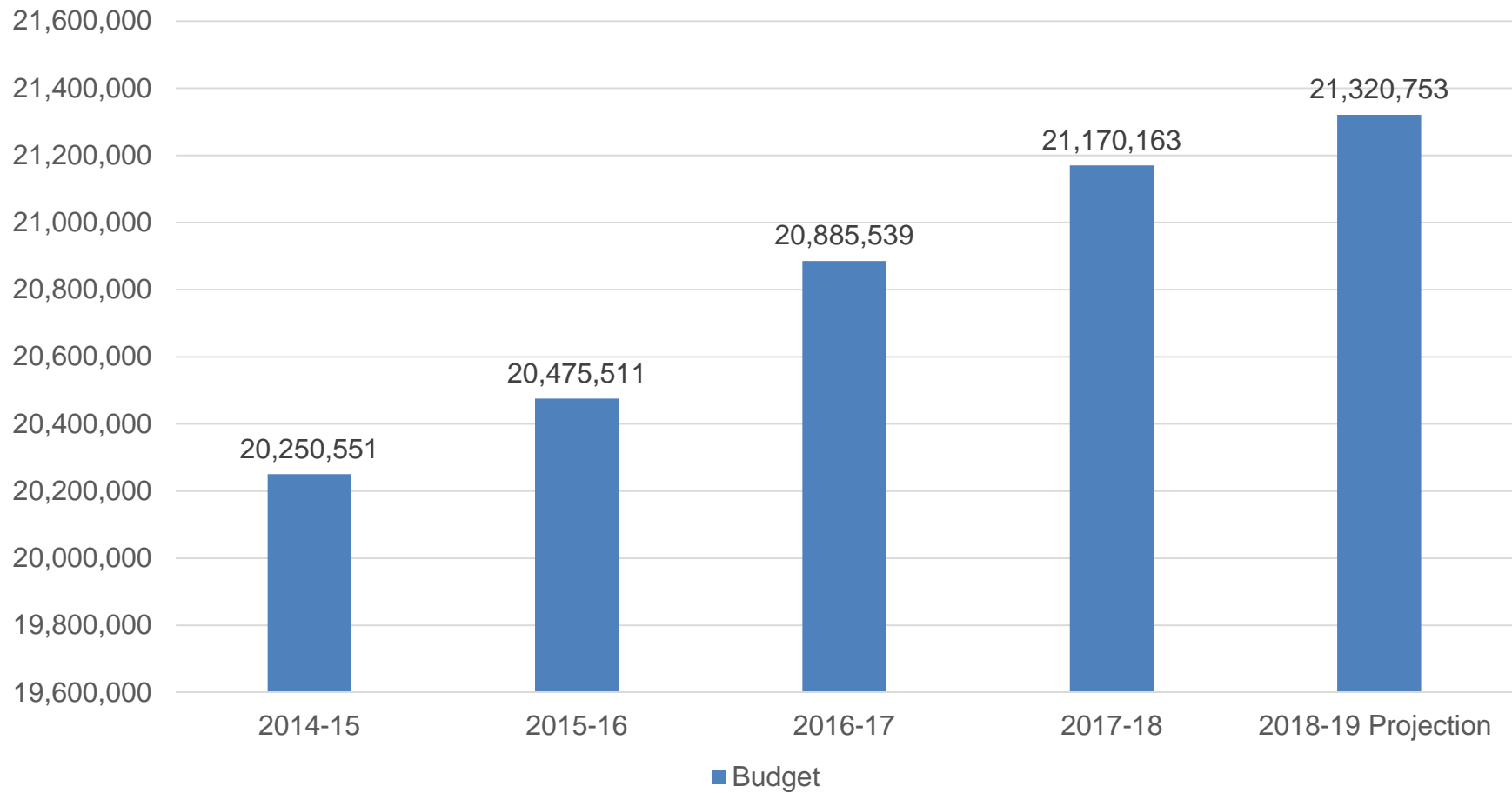
- 2018-19 Maximum Allowable Tax Levy is \$8,819,320
- The total levy can increase by only **\$196,978**; or **2.285%**

Tax Levy 2017-18			\$	8,622,342	
Tax Base Growth Factor			\$	1.0064	
Sub-Total			\$	8,677,525	
PILOTS			\$	-	
SubTotal			\$	8,677,525	
Adjustments (MINUS)					
	Capital	Buses			
Debt Service	\$ 1,822,325	\$ 110,061			
Reserve Use	\$ 200,000				
Aid Payments	\$ 1,525,657	\$ 175,596			
Local Share	\$ (96,668)	\$ 65,535	\$	(31,133)	
Adjusted 2017-18 Threshold			\$	8,646,392	
Allowable Levy Growth Factor (1 + inflation rate)			\$	1.0200	
			\$	8,819,320	
PILOTS			\$	-	
Carry Over					
			\$	8,819,320	
2018-19 TAX LEVY LIMIT					
Adjustment					
Judgements					
ERS			\$	-	
TRS -			\$	-	
	Capital	Buses			
Debt Service	\$ 1,811,584	\$ 92,725			
Reserve/ FB Use	\$ 200,000				
Aid Payments	\$ 1,512,504	\$ 231,691			
Local Share	\$ 99,080	\$ (138,966)	\$	-	
Adjusted Maximum Tax Levy for 2018-19			\$	8,819,320	2.285%

\$ 196,978

Budget Increases with a Consistent Tax Levy

Budget Totals Over Five Years



Actions to Work within the 2018-19 State Aid Increase & maintain the Tax Levy level.

- BOCES OPEB credit of \$94,742 will be applied to the budget to offset BOCES Administrative Expenses.
- Increase the appropriated surplus when necessary to fund one time expenditures.

2018-2019 Budget Goals

Develop a budget that is fiscally responsible and educationally sound.

- Create a budget which maintains and supports current Programs & Services while providing the opportunity for innovations within the classrooms, and the enhancement of STEAM opportunities.
- Accommodate additional requests submitted by the Building Administrators.
- Develop a budget that results in a projected tax levy below the tax cap limit.
- Utilize expense efficiencies to minimize increases in the budget.
- When possible utilize increases in state aid to decrease taxes.

Hoosic Valley Central School District

Budget Overview-

February 5, 2018

BUS REPLACEMENT PROGRAM REVIEW-

2018-19 Recommended Replacement

- o 2- 72 Passenger Buses
- o 2- 22 Passenger Buses

Total Cost \$324,010.06

State Aid Estimates

Governor's Proposal State Aid Estimates for 2018-19 & Tax Levy Limit

On January 16th, Governor Cuomo presented his proposal for the 2018-19 State Budget. The Governor is proposing an increase of \$769 million in state support for public schools. The year-to-year increase of \$769 million for state education funding, is a 3% increase as compared to the approved 2017-18 state budget.

- The district received state aid estimates under the Executive Budget State Aid Proposal days after the governor's presentations.
- Hoosic Valley CSD's formula state aid will increase overall by approximately \$254,058 (2.30%) due to slight increases in Foundation Aid & expense driven aides as a result of the Governor's proposal.
- The district's Foundation Aid will increase under the proposal from \$7,404,963 to \$ 7,528,786 which is a \$123,823 increase, or 1.6%.
- The district's expense driven aid estimates are based on 2017-18 school year estimates of expenditures and pupil data submitted with aid claims in the fall. Since transportation fuel expenses are down I have been working with State Aid Financial Planning to adjust the estimate to appropriate levels.
- The estimated formula state aid increases of \$254,058 equates to 1.2% of the district's current budget.
(For example if the district's overall 2018-19 budget increased more than 1.2% the difference would be made up with surplus appropriations for one time expenditures of buses and debt service payments.)

As in any year, we will not know the final aid projections until an agreement on the state budget has occurred.

Budget Status & Revenue Status

- o *Working closely with the district Treasurer we will consistently review the Revenue & Appropriation Status Reports to begin to assess the year end fund balance.*
- o *At this point the district will realize a positive net position as current Revenues are running greater than expected and Expenses are running lower than expected.*
- o *The 2017-18 appropriation status reports are analyzed to ensure expense codes are appropriately budgeted.*

2018-19 Budget Assumptions

- All employee contractual increases and steps are included in the budget.
- ERS Contributions Rates will decrease slightly to 14.9% in 2018-19
- TRS Contributions Rate will be 10.63% of member payroll. (2017-18 was 9.8%)
- The district's move to PPO 815 Health Insurance Plan for current employees will allow the district to decrease Health Benefit costs before rate increases. RCG Trust provided an initial estimated Health Insurance rate increase at 8%. Final rates will be issued in March.
- Expenses for teaching supplies, building supplies and repairs, and district contractual obligations will be rolled over unless in cases where additions are noted.
- Heating Oil, gasoline, and diesel prices are being assessed using a seven year average.

New York State's Property Tax Cap - the tax cap limits the total levy set by school districts.

Tax Levy Limit* + Coming year exclusions = Maximum Allowable Tax Levy

(*adjusted for economic growth factors)

(Capital Levy Exclusion)

- 2018-19 Maximum Allowable Tax Levy is \$8,819,320
- The total levy can increase by only \$196,978; or 2.285%
- CPI used in the Tax Levy Limit calculation is 2.00%
- Capital levy Exclusion- the levy necessary to support capital local expenditures less **Aid payments** and **Reserves** used to offset principal and interest.
- 2018-19 Capital Levy Exclusion is \$0. The previous year was \$31,133.
- The decrease in the capital level exclusion is due to reductions in debt and increases in state aid received.
- The purchases of Buses with the use of the Capital Bus Purchase Reserve has helped to lower the amount of Transportation debt while also increasing the amount of state aid received for transportation capital purchases.
- As part of the district's corrective action plan to the State Comptroller's Audit, the district will use \$200,000 of the Debt Service Reserve to offset the principal and interest from capital expenditures. The use of this reserve reduces the Capital Levy Exclusion (Coming year exclusion).

Actions to Work within the 2018-19 State Aid Increase while maintaining a consistent Tax Levy

- BOCES OPEB credit of \$94,742 will be applied to the budget to offset BOCES Administrative Expenses.
- Increase the Appropriated Surplus to meet the necessary expenses; In 2017-18 the appropriated fund balance was \$987,464. The appropriated surplus could be increased to fund one time expenditures beyond state aid increases. This includes one-time expenditures of buses and debt service payments. *We have begun the process to develop an early review of fund balance. We have encumbered all contractual salaries for 2017-18 as of Feb 1, 2018.*

F. TAX LEVY CALCULATION

Tax Cap

Adjusted Current Year Threshold

Tax Levy 2017-18	\$	8,622,342
Tax Base Growth Factor	\$	1.0064
Sub-Total	\$	8,677,525
PILOTS	\$	-
SubTotal	\$	8,677,525

Adjustments (MINUS)

	Capital	Buses	
Debt Service	\$ 1,822,325	\$ 110,061	
Reserve Use	\$ 200,000		
Aid Payments	\$ 1,525,657	\$ 175,596	
Local Share	\$ (96,668)	\$ 65,535	\$ (31,133)

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PILOTS	\$	-
Carry Over		
2018-19 TAX LEVY LIMIT	\$	8,819,320

Adjustment Judgements		
ERS	\$	-
TRS -	\$	-

Capital Projects	Capital	Buses	
Debt Service	\$ 1,811,584	\$ 92,725	
Reserve/ FB Use	\$ 200,000		
Aid Payments	\$ 1,512,504	\$ 231,691	
Local Share	\$ 99,080	\$ (138,966)	\$ -

Adjusted Maximum Tax Levy for 2018-19	\$	8,819,320	2.285%
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\$ 196,978